"A Study of Current Talent Management Strategies for Employee Engagement of Public Sector Banks in Rajasthan"

A Synopsis

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INTRODUCTION

Indian banking sector is mandatory part of our Indian financial system, which has come across effective change ever since liberalisation, privatisation and globalisation. In India there are many verified financial institution likes banks in both sectors private and public. They are governed and controlled by Ministry of Finance and Reserve Bank of India.

In India especially public sector banks are facing many human resources challenges' because of private banks competitors, just because public sector banks are controlled and governed by rules and regulations of government of India. They mainly give importance to profitability of banks not to skilled workforce. Two factors through which we can easily compare the functioning of banking industry, first is balance sheets and profitability's of banks and another one is effective management of human resource system in banks.

Today's competitive era we can say that banks are facing tremendous challenges regarding management of people and risk these two things we considered as key challenges for banks because how they manage people and risk that decide their capability or success in their banking sector, but the real fact is it that management of risk efficiently may not be possible without management of people.

"In India business of banking industry has been and always be a People's Business". That's true pricing of banks we consider as very important but still there are many other reasons that shows why people choose a particular bank for their transactions and stay with that bank for long time. These other reasons are core values of banks, values such as sound, reliable, innovative, close and socially responsible etc. But these values need to be prioritising through precise actions and it would only be positively deliver to customer by proper skilled employees in banks. But public sector banks facing same complaint from all banking executives that skilled people is in short supply so we can say human resource in banking sectors are lacking in people quality and quantity both.

Padmaja alaganandan (executive director – Consulting at PwC Consulting) said *"Public sector banks in the country face a tremendous challenges with respect to talent and leadership skill availability. Estimates put out the manpower shortfall at four to five lakh.*

*Bridging the shortfall requires focus on fast tracking high potential talent."***(Sengupta and basu, 2012)**

"*Align strategies and people are most important for achieving extraordinary result."* So to bridging the shortfall Public sector banks are modifying their talent strategies to focus on performance and employee engagement.

Talent management is most important area of Human Resource Management, it's considered as back bone of HRM. Talent management helps in attaining competitive advantage. It's a process through which we analyse, develop and effectively utilise the talent to improve the value of our business and to achieve organisational goals. Through talent management we can engage employees in their work through goal alignment and also achieve higher level of job performance. *Talent management is concerned with sourcing talent, integrating and aligning talent, developing talent, engaging and rewarding talent, strategically deploying talent, and assuring there is an adequate talent pipeline to support the business as it moves toward its strategic goals*. **(Ulrich & Brockbank, 2005)**

According to a research of Harvard University, "*Talent Management is the number one concern of all top organisations in the world right now. This is because in order to be able to take advantage of the changing and growing markets, organisation must have good people in place. Having good people implies that organisations must know how to identify, manage, develop keep and get the best out of their good people*."

Public sector banks for being competitive should efficiently and effectively manage its employees from recruitment through training and development. But public sector banks in India facing key challenges that's making difficult achievement of talent management. These key challenges included fluctuation of global economy, constant demand for quick return on investment and selection of right candidate from pool of applicants. Many suggestions of experts shows that organisations facing these kind of situations like talent crises just because of inadequate selection of talent, it involves developing and retaining employees who are performing very well and secure high performing talent for right job. Through talent management organisation can get easily higher satisfaction of employees and lower attrition rates to higher level of productivity. So we can say that every institution to be specific financial institutions should focus or give heed to effective talent management system.

In Indian banking sector from last decade, implementation of higher technologies followed by public sector banks. These days talent management is considered as very challenging issue of public sector banks because banks employees are like crucial assets of any bank. Today public sector banks including Punjab national bank, IDBI, State bank of India, and Bank of India they are altering different talent strategies to focus on employee engagement and improvement in performance of employees. They also are lining up incentives like paid holidays of abroad, leadership and training program at top level b-schools. These talent strategies helps in developing and fostering new workers through on boarding, developing and keeping current workers who are highly skilled.

OBJECTIVES OF THE STUDY

1. To identify and evaluate the talent strategies used by Indian public sector banks.
2. To identify performance related issues covered in these talent strategies.
3. To analyze the impact of talent management on performance of banks' employees.
4. To analyze the views of management respondents regarding the effectiveness of talent strategies in Public sector banks.

REVIEW OF LITERATURE

This section aims at giving the reader a view of the literature surrounding our topics. Authors and writers have come across to present their point of views related talent management practices. They identified various reasons to stay in the organisation. A detailed survey of the concerned literature review has been based on various studies ranging from phenomenal studies of journals, reviews, concerned magazines and internet and presented below:

Altman, (2008) revealed that every organisation trying to set up their talent management process, because they are realising their future prosperity depends not only natural and financial resources even it depends on human capital. Presently finding and developing talent is become a tougher challenge of all organisations. Talent management mostly focuses on developing and retaining good people and it has a better chance of recruits at all level of employees but that's not only enough to get a success in the organisation, real success comes when heart and minds of individuals are engaged. Individuals when they join any organisation they need to feel that they are valued and their contribution for the organisation makes them different, and that only possible if they rewarded for their good performance by the organisation that will help employees to do their work with full enthusiasm. Apart from that organisation faces many challenges like identify and develop the next generation talent so we can say that now a day's war of talent becomes a serious issue of all organisations.

Bethke-Langenegger, Mahler and Staffelbach, (2011) explained how the HR, executives and supervisors perceive the effectiveness of talent management and what challenges they observed in their companies when they implement the strategies of talent management and how they analyse all positive impacts on human resource outcomes like job satisfaction, motivation, commitment and trust in leaders. Presently war of talent is increasing day by day, organisations facing challenges of effective talent management because it affects the all over organisational performance. Today organisations focus on situation from financial perspective and they assess relationship between competence in talent management and financial organisational performance because with a deliberate talent management strategy demonstrate significantly higher financial performance compared with other competitive organisations. Talent management strategies need to be transparent and clearly communicated in the company both inside and outside because it helps in improves an employers'

attractiveness and create the positive impact on organisational performance when they strongly focused on employee's needs and satisfaction. Talent management strategy aims to support the succession planning, which has the weakest impact on organisational performance, particularly non-financial outcomes at both organisational and human level. So we can say that if organisations found the pursuit of a strategy which focusing on the attracting and retaining of talent to have the greatest effect on human resource outcomes, and its value for improvement in work quality and level of qualification. So if talent management practices aligned with corporate strategy than its lead to a higher impact on organisational outcomes like company attractiveness and the achievement of business goals and customer satisfaction.

Bhatnagar, (2007) endorsed the relationship of employee's engagement to talent management. We considered talent management as fast gaining a top priority for all organisations across the world, talent wars, raids, shortage, talent metrics retentions like trends and mainly concern for talent strategy are main issue which expressed in various countries like USA, UK, Australia, Japan, China, India and across Asia. Employee's engagement possible only in a case when organisations provide their employees engrossing working environment which helps to improve their performance and make them passionate in their work. Employees are more engaged when their managers are clear about their expectations and get agreement of those expectations and provide consequences for meeting or non meeting expectations. They also need to be assessed and rewarded for the development and increase level of performance of their employees. So we can say that there is need of effective talent management policies and practices which help to maintain human capital and provide result of more engaged employees.

Bist and Shrivastava, (2013) recognised talent management is greatest source of competitive advantage for any banking industry. Banking sector becoming extremely competitive and customer oriented. Today talented manpower becomes a biggest challenge for banking industry. Public sector banks face more competition in terms of rewards, remuneration and selection procedures then private sector banks. Public sector banks should recruit employees according to their skill and also provide rewards because that will help to gain extra talent from employees. Job rotations and promotions should be given on the basis of performance of employees. That will help employees to provide platform to perform well and encourage growth for the potential. So we can say talent management helps in developing and fostering new worker through on boarding, and develop their potentials and keeping current workers

for long time and attract highly skilled workers for their organisation. For banking industry talent management is greatest source of performance and employee engagement.

Cappelli, (2008) revealed failures of talent management are an organisation source of pain for executives in modern organisation. Talent management is simply a matter of managing the need for human capital and then setting a plan how to overcome from it. Now we can say it's time for fundamentally new approach to talent management that takes into account the great uncertainty business face today. He explained operations principles applied to talent management like make and buy to manage risk which presents deep bench of talent is very expensive, so companies should undershoot their estimations of what will be needed and plan to hire from outside to clear up any shortfall related that issue. Improve the return on investment on investment in developing employees which shows one way to improve the payoff is to get employees to share in the costs of development. And preserve the investment by balancing employee- employer interests shows main reason good employees leave organisation is that they find better opportunities elsewhere and this makes talent development a perishable commodity, so balancing interest of both employees and employer by having them sharing in their advancement decisions related issues is consider as key of developing efforts of enhancing investment for betterment.

Cappelli and Keller, (2014) revealed challenges in modern labour markets with managing talent and present in forms of issues of internal and external talent because new themes in contemporary talent management focus mainly on retention issues, open labour markets, uncertainty issues. Talent management helps in covering long standing practices which aim at getting the right person in the right job in the right time at the right place. Organisations drive many activities for it like workforce planning, succession planning, employee development and career management. In this research paper presents two approaches of talent management: inclusive and exclusive, inclusive approach suggests talent management should apply on every worker because employees of organisation are consider as strengths that can potentially create added value for organisation and apart from that exclusive approach reflected in the growing interest in workforce differentiation, it suggests that organisations should disproportionally invest in scarce resources in the individuals or jobs from which they expects highest or greater aggregate return. The practices associated with talent management within an organisation matter to those outside that organisation because they determine access to important and desirable jobs and one conceptual issue driven by changes in the practice of

talent management is weather the focus of interest and indeed can say overall approach, has shifted from an orientation on the individual employee to a focus on the strategic job.

Chitsaz-Isfahni and Boustani, (2014) endorsed the effects of talent management on employee retention in organisations. Today we are living in age where technological advances take places and cultural, social and political changes are inevitable continuously. Attracting talented employees to the business, maintain them and satisfied the loyalty of them in the business is become a biggest challenge in this competitive era. Talent management helps in provide value of human resource because it can create simplifications in talent reviews or talent discussions which provide opportunity to know the business issues and capital requirements for driving success in business. When subordinates feel in organisation that their supervisors are very supportive and true with them, they tend to engage in informal works which go beyond formal and nominal role descriptions they expect that they will be rewarded and appreciated when they had done work with full enthusiasm in an organisation. But it could not be possible without talent management because we consider it an integrated process in organisation to drive success.

Collings, (2014) presented challenges and opportunities for integration of global mobility and global talent management just because centrality of global talent management considered as strategic objective of multinational enterprises' and global mobility consider as key element of multinational enterprises' global talent practices. Recent decades multinational enterprises faced challenges of maintaining quality and quantity of suitable employees to undertake international assignments which has contributed to a lack of global leadership competence in multinational enterprises' so global mobility also consider as leadership development and succession planning. Global mobility also point to potential differences in how the assignees are managed from a human resource perspective. So challenge to the integration of global mobility and global talent management relates to development of suitable human recourse architecture to support the globally mobile situation and give a heavy emphasis on reducing the costs of international assignment. Human resource practices play in clarifying signals about expected behaviours from employees and support in their careers, maximize employee performance while on assignment and minimise the levels of turnover on repatriation and highly integrated and congruent human resource architecture helps to achieve all of objectives of multinational enterprises. So we can say that effective investment in appropriate human resource architecture supports in international assignees and global mobility.

Collings, Scullion and Vaiman (2011) explained European context regarding field of talent management. If we talk about European context, report by the Boston Consulting Group concluded that talent management is one of the five key challenges facing the HR profession. Reports of HR practitioners endorsed that talent management occupies a significant amount of senior managerial time and presently managers struggling to manage talent effectively in organisations. Strategic talent management is ongoing force of any organisation because the mechanism of strategic talent management help us determine the future demands of our leaders and specify the gap between what we have and what we need, it helps organisations to win today's competitive era and renew strategies for the challenges of tomorrow. European union which are working towards higher economic integration through reduced trade barriers, evaluating the utility of a special issue on European perspective on talent management it seems reasonable to consider the potential value added of such project. These days' European multinational companies tend to be early internationals due to the relatively small and size of their domestic markets means that they have a higher percentage of revenues coming from outside the home country and also have a history of moving managerial talent in other countries. These challenges for highly decentralised European multinational companies are developing effective talent pipelines at a regional or global level.

Dries, (2013) presented boundaries of the talent management phenomenon and also identify six theoretical perspectives on talent such as: talent as capital, individual difference, giftedness, identity, strength and talent as the perception of talent which we can serve as basis for theory building, methodological advances and new empirical work. This paper also identifies the relevant theoretical perspectives that can serve as a basis to develop new theory or new empirical studies and identify in different literature streams psychology like human resource management, Industrial/organisational, educational, vocational, positive and social. HRM psychology mainly contributes in links individual talent to organisational context, industrial/organisational psychology contributes in long research tradition in personnel selection, promotion system and performance appraisal, educational psychology contributes in strong theoretical frameworks, vocational psychology contributes in recognition of the nature of talent dynamically, construct over the course of person's life, positive psychology contributes in treating positive outliers as research subjects of choice. They also present protocol for phenomenon which involves five stages such as: distinguishing, exploring,

designing, theorizing and synthesizing. So we can say that talent management is not only related to best practices but it's also a best fit like fit with strategic objectives, organisational culture, HR practices and also fit with organisational capacity.

White, (2009) endorsed the paradigm shift in the way of human resource which defines success and mission of every organisation. Talent management in any organisation drive by the human resource managers, paradigm shift is most important because its core is a fundamental change in organisational human resource talent management practices like how they recruit, develop, align, assess, retain and value the employees so it helps in optimising performance of employees in sectors both public and private. But in public sector needs redesigning and rethinking talent processes and also use new technologies for transforming and enhancing the performance of employees and also provide opportunity to talent at global level. Increasing skills deficiencies and talent shortages make talent management an imperative for organisations in all sectors because recruiting, developing and retaining high level of talent becomes a major challenge mainly in public sectors so they should take important step to design and implement an integrated talent development and management program and senior managers should focus on development of talent management because they play very crucial role in talent management activities. So we can say that talent management can serve as vital management tool for achieving goals of organisation.

METHODOLOGY

Research Methodology is a way to systematically solve the research problems. It may be understand as a science of studying how research is done scientifically. We also consider Methodology is the theory of the creation of methodical procedures and methods. It connects the theoretical and substantive domains in research and plays crucial role in determining the validity.

- **Research Design:**

The aim of this research is to identify and evaluate the talent strategies using by public sector banks and performance related issues covered in these talent strategies and how they create positive impact on performance of bank employees. So this study has to bring light on framework of talent management strategies which are mostly used by banks to engage employees to their work for the attainment of goal. That allows organisations to create long term sustainability and creating competitive advantage. This study requires an exhaustive view of talent management practices to understand and explore the requirement of change in strategies.

Research design has been considered highly important and specialised for the success of research and it enables deliberate and directed effort towards analysing and interpretation and generalizes results. Research design is helps in maintain the consistency in obtaining response from management respondents and expected to answer similar questions asked subsequently to authenticate the reliability and consistency of the design of research. The criteria is set by instrument designed for the study is verifiable and this research design covers the wide range of set of talent management strategies involved in public sector banks practically required for study, at the same time consistent with theoretical interpretation. The research is survey based study and it tries to characterize and illustrate the response gathered from the set of employees and managers of banks. On the basis of that research being to explore and understand talent management practices initiated by the public sector banks and its suitability and fitness in today's competitive environment.

The objectives of research and hypothesis are formulated to discover, explore and discuss the facts with regards to the facts of talent management practices. The exhaustive literature survey was carried out to establish the link with the theories and previous work done, that characteristic of prevailing situation in the public sector banks. The main aim of this study is to establish and support the link between the theories and practices and setting strategies for

future need as per changing the working condition of employees in public sector banks. The research design we consider as pre-planned effort to measure the set of objectives and define the actions without any biasness. This research is descriptive type of research. Descriptive Research survey and fact finding inquiries of different kind. The major purpose of descriptive research is descriptive the state of affairs, as it exist at present. In other words, the descriptive research attempts to describe, explain and interpret conditions of the present. The purpose of a descriptive research is to examine a phenomenon that is occurring at a specific places and time. A descriptive research is concerned with conditions, practices, structures, differences or relationships that exist, opinions held processes that are going on or trends that are evident.

- **Data collection:** Data collection is the process of gathering and measuring information on targeted variables in an established systematic situation, which enables one to answer relevant questions and evaluate outcomes. Two categories of data collections are given below :

✓ **Primary Data:** Primary Data will be collected from banking clients as well as bank managers of public sector banks**. Banks whom I include is four public sector banks (**State Bank of India, Punjab National Bank, Bank of India and IDBI) by administer the questionnaire and personal interview.

➢ **Methods used for collecting Primary data:**

- **Questionnaires:-** In management research questionnaire consider as most important tool for obtain information and helps in designing data carefully. That will help in knows the clear point of view of bank's employees.

- **Observation:-** I will visit bank branches to make observation about this research and data will be collected from these four banks.

- **Interview:-** Interview method of data collection will be used in this research to identify the views of management respondents of banks.

- **Online survey:-** In this study I will also use online survey for creating polls on the social network website on internet and through this I will indentify the views of HR professionals related talent management practices.

- ✓ **Secondary Data:** Secondary data refers data that was collected by other person than the researcher and in this research secondary data taken by these given sources:

- **Journals**
- **Magazines**
- **Websites**
- **Reference books**

- **Sampling:**

  Sampling helps in providing means of giving information about whole without examine the entire area, in sampling we only take small amount of data instead of large amount to find out the exact situation of problem.

- ✓ **Sample size:** I have taken for sample size 4 public sector banks such as State Bank of India, Punjab National Bank, Bank of India and IDBI. The location of research will be four cities of Rajasthan.

Public Sector Banks	No of Branches	Sample Size
State Bank of India	12	120
Punjab National Bank	12	120
Bank of India	12	120
IDBI	12	120

- **Instrument of Data collection:**

  This research mainly used questionnaire method as an instrument for collection of data for research study. This method states all facts which directly relate to the factors important for objective of research. The questionnaire is made of different series of questions which are related to talent management practices and strategies, performance and employees engagement. Questionnaire will be framed with relation to bank employees and managers view which will influence the talent management strategies and employees engagement.

- **Statistical tools:**

  This research will be used some of statistical tools to represent data effectively. So in this research these following tools of statistics will be applied for representation of data:

- ✓ **Charts and Diagrams:-** In this research data will be represent effectively through chart and tables.
- ✓ **Estimation of Frequency Distributions:-** In this study frequency of data will be estimated and presented. Frequency distributions of a qualitative variable show the frequency of each category and no. of observations will be presented in table or chart form like bar chart.
- ✓ **Measurement of central tendency:-** In this research central tendency of data will be measured by mean to drive central value of data.
- ✓ **Standard deviation:-** In this research I will use standard deviation to measure of the spread of scores within a set of data.
- ✓ **Correlation analysis:-** Correlation analysis will be used to analyse the relation between two variables like talent management strategies and engagement of employees.

- **Statement of Hypothesis:** Hypothesis of this research will follow:-

- ✓ **H_1** Talent management practices and employee engagement have positive impact on motivation and satisfaction of employees.
- ✓ **H_2** Talent management strategies aligned with business strategies that positively influence the performance of employees in public sector banks and determine their capability.
- ✓ **H_3** Talent management strategies positively influence the retention and attraction of skilled talent in the public sector banks.

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